

Message Text

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ACTION NEA-05

INFO OCT-01 ISO-00 EB-05 DRC-01 RSC-01 /013 W

----- 103817

R 271255Z MAR 74

FM AMEMBASSY KUWAIT

TO USDOC WASHDC

INFO SECSTATE WASHDC 9144

AMEMBASSY BEIRUT

AMEMBASSY TEHRAN

UNCLAS KUWAIT 1185

EO 11652: NA

TAGS: BMEP, BEXP, EIND, KU

SUBJ: KUWAIT PRIVATE SECTOR INDUSTRIAL PROJECTS

REF: A) KUWAIT 0208; B) STATE 53709

SUMMARY: ABU GHAZALAH HAS RECEIVED LARGE NUMBER OF REPLIES TO PROPOSALS FOR COOPERATION IN KUWAIT PRIVATE SECTOR INDUSTRIAL PROJECTS. HE HAS BEGUN TO REPLY TO SELECTED AMERICAN COMPANIES AND TO MOVE FORWARD LOCALLY ON SOME OF THE PROJECTS. EMD SUMMARY

1. IN REF A EMBASSY REPORTED INTEREST BY LOCAL BUSINESSMAN TALAL ABU GHAZALAH TO MAKE CONTACT WITH AMERICAN COMPANIES INTERESTED IN PARTICIPATING IN SEVERAL POTENTIAL PRIVATE SECTOR INDUSTRIAL PROJECTS IN KUWAIT. AS INDICATED PARA 2 REF A ABU GHAZALAH HAD BEEN DISAPPOINTED AT THE GENERALLY APATHETIC RESPONSE OF AMERICAN FIRMS TO PREVIOUS ATTEMPTS TO INTEREST THEM IN LOCAL PROJECTS. HOWEVER, SINCE COMMERCE HAS PUBLICIZED INFO CONTAINED REF A, RESPONSE FROM US FIRMS HAS BEEN ALMOST OVERWHELMING. ABU GHAZALAH'S ORGANIZATION IS REPLYING TO AMERICAN COMPANIES WHICH HAVE SUBMITTED MOST INTERESTING PROPOSALS.

2. FOLLOWING IS AVAILABLE BREAKDOWN ON STATUS OF VARIOUS PROJECTS INCLUDING THOSE NOTED REF B.

A) PACKAGING: ABU GHAZALAH HAS RECEIVED LETTERS FROM CROWN ZELLERBACH, MILLPRINT, AND CONTINENTAL CAN.

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B) ELECTRICAL PUMPS: EMBOFF DELIVERED STUDEBAKER/WORTHINGTON AND GORMAN/RUPP BROCHURES MARCH 27.

C) POULTRY RAISING: EMBOFF DELIVERED LETTERS AND BROCHURES FROM EIGHT COMPANIES AND ABU GHAZALAH HAD ALREADY HEARD FROM SOME OTHER COMPANIES. LOCAL GROUP HAS APPLIED FOR LICENSE AND GOAL IS TO SET UP AS MANY AS EIGHT FARMS PRODUCING 75 MILLION EGGS PER YEAR PLUS MEAT.

D) ALUMINUM: SEE SEPTTEL.

E) FIBER GLASS: ABU GHAZALAH HAS NOT HEARD DIRECTLY FROM ANY COMPANY BUT EMBOFF TURNED OVER LETTER FROM FERRO CORPORATION, NASHVILLE, TENNESSEE. WE BELIEVE ABU GHAZALAH INTENDS TO WRITE TO THEM.

F) PETROCHEMICALS: EMBASSY HAS NOT HEARD FROM AMOCO. SINCE ABU GHAZALAH ALREADY IS WORKING CLOSELY WITH AN AMERICAN FIRM IN PETROCHEMICALS AREA, WE SUGGEST ANY INTERESTED AMERICAN COMPANIES CHECK WITH EMBASSY FIRST ON ANYTHING IN PETROCHEMICALS AND FERTILIZER AREA.

G) OTHER PROJECTS: WE HAVE PASSED LETTERS ON TO ABU GHAZALAH FROM AMERICAN COMPANIES WHO ARE IN POSITION HELP IN FIELDS OF PLASTICS, AND PAPER PRODUCTS. ABU GHAZALAH HAS NEVER RECEIVED ANY INDICATION OF INTEREST IN SANITARY WEAR AREA ALTHOUGH THIS APPARENTLY IS ONE PROJECT HE WOULD LIKE TO MOVE AHEAD ON.

3. COMMENT: IN GENERAL, ABU GHAZALAH GROUP MOVING FORWARD ON PROJECTS. BELIEVE COMMERCE SHOULD ADVISE AMERICAN COMPANIES THERE MAY BE SOME DELAYS. INDUSTRIALIZATION IS STILL FAIRLY NEW IN KUWAIT AND THERE ARE BOTTLENECKS IN THE BUREAUCRACY. HOWEVER, ENTHUSIASM OF PRIVATE SECTOR REMAINS STRONG AND PARTICULARLY AS MANY LOCAL BUSINESSMEN ARE EAGER TO MOVE FORWARD WITH THEIR PROJECTS. THERE APPEARS TO BE A GOOD CHANCE THAT SEVERAL AMERICAN COMPANIES WILL BE SELECTED TO WORK ON VARIOUS PROJECTS. EMBASSY KEEPING IN TOUCH WITH ABU GHAZALAH AND WILL REPORT SIGNIFICANT DEVELOPMENTS AS THEY BECOME KNOWN.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 27 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974KUWAIT01185
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740066-0749
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740312/aaaaakmz.tel
Line Count: 99
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: A) KUWAIT 0208; B) STATE 53709
Review Action: RELEASED, APPROVED
Review Authority: martinml
Review Comment: n/a
Review Content Flags:
Review Date: 18 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <18 JUL 2002 by elbezefj>; APPROVED <11 DEC 2002 by martinml>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: KUWAIT PRIVATE SECTOR INDUSTRIAL PROJECTS
TAGS: BGEN, BEXP, EIND, KU
To: COM
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005